



Susan Bysiewicz
SECRETARY OF THE STATE
CONNECTICUT

**Testimony of Secretary of the State Susan Bysiewicz
Commerce Committee
March 6, 2008**

Good Afternoon Chairman LeBeau, Chairman Berger and members of the Commerce Committee. For the record, my name is Susan Bysiewicz and I am the Secretary of the State. Thank you for the opportunity to testify before you today regarding a very important bill on your public hearing agenda.

As you know, I am a strong supporter of **S.B. #400: An Act Eliminating the Business Entity Tax** and requested its consideration. I commend your leadership to raise this legislation to abolish the onerous Business Entity Tax. An overwhelming number of legislators, small business owners and business leaders are also very supportive of its elimination. This is a bi-partisan effort that needs a bi-partisan solution and a broad coalition of support. Quite simply, the time to abolish the business entity tax is now. Although my strong preference is for the full elimination of the Business Entity Tax, I recognize that there are several compromise proposals under discussion to achieve this goal. Overall, we must ensure that the elimination of such a tax will balance the needs of Connecticut's residents.

Everyday here in Connecticut, business owners and entrepreneurs work hard to provide a service, produce a product and help grow our economy. Yet, they face sky rocketing energy costs, rising insurance premiums and other financial barriers that make it difficult to thrive.

As the state's Chief Business Registrar, I travel across the state meeting with businesses about their concerns and suggestions to create a more business-friendly environment in Connecticut. Time and time again, I hear that the elimination of the Business Entity Tax is one step toward reaching that goal.

It is time to send a message to the business community that Connecticut, with its educated and talented work force, is the best place in the world to start and build a business. This tax is an obstacle to small business owners who are responsible for 80% of new jobs in our state and help make our economy strong. It is also a deterrent to entrepreneurs considering Connecticut as a place to locate their company. Abolishing this tax will save small business owners over **\$30 million** dollars a year – dollars that will ultimately be re-invested in our state and nation's economy.

Last month, I reported that 30,868 new businesses registered with my office to do business in Connecticut in 2007. The number of business stops for 2007 reached 11,372 – its highest number since 2003. December was a particularly tough month for Connecticut's businesses. The 2,012 business starts for the month represented a 19 month low or the smallest number of business starts since August 2003. The 1,895 business stops in December represented the highest number of stops since December 2003 marking the second most number of business stops for any one month since at least 1999.

As lawmakers and public officials, it is our duty to acknowledge that small businesses drive our economy and create jobs. By cutting this tax we can help these businesses create more jobs thereby creating more taxpayers.

When we create more taxpayers we collect more revenue and we all win. Again, this is a small step that we can take that will go a long way to improve the business climate in Connecticut.

Thank you for the opportunity to testify before you today and I am available if you have any questions. I look forward to working with this Committee and the entire General Assembly to win passage of this very important bi-partisan proposal. My Office stands ready to provide this Committee with any information that it may need.